



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

32 June 19, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County
Board of Supervisors

June 19, 2012

Gloria Molina
First District

Mark Ridley-Thomas
Second District

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Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT TO MEDICAL SCHOOL AFFILIATION AGREEMENT
BETWEEN THE COUNTY OF LOS ANGELES AND THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA
(2nd AND 5th SUPERVISORIAL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

SUBJECT

Request approval of amendment to the Regents of the University of California at Los Angeles (UCLA) Medical School Affiliation Agreement (MSAA).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman of the Board of Supervisors to sign the attached Amendment No. 4 to Agreement No. 76850 (H-702099) with UCLA, for the provision of physician medical education and patient care services at Harbor-UCLA Medical Center (H-UCLA MC) and Olive View-UCLA Medical Center (OV-UCLA MC), effective July 1, 2012, to add additional purchased services and to increase the maximum obligation from \$26,728,000 to \$27,074,000 and update the County and University Training Program full-time equivalents (FTEs) per Attachment I for the period beginning July 1, 2012 through June 30, 2013.
2. Make a finding as required by Los Angeles County Code section 2.121.420 that contracting for the provision of physician services (trainee and non-trainee) at OV-UCLA MC, as described herein, can be performed more feasibly by contracting with the private sector.

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through direct services at DHS facilities
and through collaboration with
community and university partners.*

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will provide six psychiatry residents for OV-UCLA MC's community mental health urgent care center and other directly operated mental health programs to decompress the hospital's overcrowded psychiatric emergency room, and adjust the number of other specialty physician residents participating under the County and University Training Program at OV-UCLA MC and H-UCLA MC to ensure continued compliance with the appropriate accrediting organizations.

Approval of the second recommendation continues prior Board findings that contracting for the provision of physician services (trainee and non-trainee) under this Amendment at OV-UCLA MC and H-UCLA MC can still be performed more feasibly by contracting with the private sector.

Addendum A – Purchased Services

County and University Training Programs

Pursuant to the Agreement, there is a range of County and University training programs in place at H-UCLA MC and OV-UCLA MC. Attachment II identifies the programs and the respective FTE residents and has been updated to reflect changes in the accredited training programs based at each of these facilities. OV-UCLA MC changes include the addition of 6.5 FTE residents in FY 2012-13. The Department of Mental Health (DMH) has entered into an agreement to fully fund 6.0 FTE residents at OV-UCLA MC for the Olive View Community Mental Health Urgent Care Center. Kaiser Permanente Medical Center is funding 1.0 FTE for Hematology/Oncology services. OV-UCLA MC has elected to shift 1.0 FTE of existing resources from the Forensic Fellow program to the more critical Gynecology/Oncology program for .5 FTE and Surgical pathology for .5 FTE. The remaining .5 FTE in the Forensic Fellow program will be eliminated as DMH has elected to discontinue its funding for this .5 FTE. Attachment III provides additional information on these changes.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, and Goal 2, Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum annual County obligation for H-UCLA MC and OV-UCLA MC under the amended Agreement in FY 2012-13 will be increased by \$346,000, whereby such increase is fully funded by DMH, for a total contract sum of \$27,074,000. Funding for this Agreement is included in the DHS FY 2012-13 Recommended Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

H-UCLA MC and OV-UCLA MC

DHS entered into the current Agreement with UCLA effective July 1, 2006 through June 30, 2011, with a one-year automatic extension at the end of each contract year, unless either party serves notice of non-renewal to the other party.

The recommended Amendment includes the changes in FTEs for County and University training programs, the specific volume, and cost of academic purchased services. If DMH anticipates loss of the mental health funding for the following academic year, DHS will give notice to the University 60 days prior to the start of the new year to remove these newly added FTEs. A complete summary of the changes is shown on Attachment I.

On June 28, 2011, the Board made the finding as required by Los Angeles County Code section 2.121.420 that contracting for the provision of physician services (trainee and non-trainee) at OV-UCLA MC and H-UCLA MC can be performed more feasibly by contracting with the private sector. While the provision of clinical services by the six psychiatric residents at OV-UCLA MC under this Amendment is subject to Proposition A and Living Wage Program (LWP) requirements, the Department has determined that the physician services under this Amendment can be performed more feasibly by contracting with UCLA, which also continues to be exempt from the LWP due to their non-profit status.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Agreement will continue the provision of clinical and academic services at the H-UCLA MC and OV-UCLA MC.

Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz, M.D.

Director

MHK:ck

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Department of Mental Health

COST SUMMARIZED BY FACILITY**Fiscal Year 2012-13**

The maximum County obligation under the amended Agreement in FY 2012-13 will be \$27,074,000 for H-UCLA MC and OV-UCLA MC.

Facility	Current Agreement	Amended Agreement	Variance
H-UCLA MC	\$9,104,000	\$9,104,000	\$0
OV-UCLA MC *	\$17,624,000	\$17,970,000	\$346,000
Total UCLA	\$26,728,000	\$27,074,000	\$346,000

*** OV-UCLA MC**

Description	Program Cost
Internal Medicine – Hematology/Oncology (1.00 FTE)	\$0
Obstetrics – OV/UC Gyn-Onc (0.50 FTE)	\$ 35,500
Psychiatry - Forensic (-1.50 FTE; 0.50 was funded by DMH)	-\$103,000
Psychiatry (6.0 FTEs)	\$379,000
Surgical Pathology (0.50 FTE)	<u>\$34,500</u>
Gross Total OV-UCLA MC	\$346,000
Program Reimbursements From:	
<u>Department of Mental Health</u> Psychiatry - Forensic (-0.50 FTE)	-\$33,000
Psychiatry (6.0 FTEs)	\$379,000
Net Total OV-UCLA MC	\$0

COUNTY AND UNIVERSITY TRAINING PROGRAMS

Agreement Exhibits I and II list the County and University training programs in place at H-UCLA MC and OV-UCLA MC. Changes to the training programs are as follows:

H-UCLA MC

Description	FY 2011-12 FTE	FY 2012-13 FTE	FTE Change
<u>FTE in ACGME Accredited County Training Programs:</u>			
Anesthesiology	14.00	15.00	1.00
Family Medicine	2.00	1.00	-1.00
Internal Medicine – Dermatology	4.00	5.00	1.00
Internal Medicine – Endocrinology	10.00	9.00	-1.00
Internal Medicine – Hematology/Oncology	11.00	13.00	2.00
Internal Medicine – Nephrology	6.00	7.00	1.00
Internal Medicine – Pulmonary	6.00	7.00	1.00
Neurology – Neurophysiology/EEG	1.00	2.00	1.00
Pediatrics	31.00	30.00	-1.00
Pediatrics – Child Abuse	0.00	1.00	1.00
Pediatrics – Infectious Disease	6.00	3.00	-3.00
Pediatrics – Medical Genetics	2.00	1.00	-1.00
Pediatrics – Neonatal	6.00	8.00	2.00
Radiology	<u>20.00</u>	<u>24.00</u>	<u>4.00</u>
Sub-Total	119.00	126.00	7.00
<u>FTE in Non-ACGME Accredited County Training Programs:</u>			
Internal Medicine – General	1.00	2.00	1.00
OB/Gyn – Maternal Fetal Medicine	<u>4.00</u>	<u>3.00</u>	<u>-1.00</u>
Sub-Total	5.00	5.00	0.00
Total H-UCLA MC	124.00	131.00	7.00

COUNTY AND UNIVERSITY TRAINING PROGRAMS

OV-UCLA MC

Description	FY 2011-12 FTE	FY 2012-13 FTE	FTE Change
<u>FTE in ACGME Accredited University Training Programs:</u>			
Obstetrics – OV/UC Gyn-Onc	0.50	1.00	0.50
Psychiatry	11.00	17.00	6.00
Psychiatry - Forensic	<u>1.50</u>	<u>0.00</u>	<u>-1.50</u>
Sub-Total	13.00	18.00	5.00
<u>FTE in ACGME Accredited County Training Programs:</u>			
Internal Medicine – Hematology/Oncology	<u>9.00</u>	<u>10.00</u>	<u>1.00</u>
Sub-Total	9.00	10.00	1.00
<u>FTE in Non-ACGME Accredited County Training Programs:</u>			
Surgical Pathology	<u>0.00</u>	<u>0.50</u>	<u>0.50</u>
Sub-Total	0.00	0.50	0.50
Total OV-UCLA MC	22.00	28.50	6.50

**SUMMARY OF CHANGES TO THE MEDICAL SCHOOL AFFILIATION AGREEMENT
BETWEEN THE COUNTY OF LOS ANGELES AND THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA**

H-UCLA MC

This is to update the County and University Training Program full-time equivalents (FTEs) in Exhibit I to reflect 7 ACGME-accredited County Training Program positions included in the FY 2011-12 Final Budget, approved by your Board on October 4, 2011, to meet mandated residency common program requirements. It should be noted that the numbers reflect the change in funded positions approved by ACGME.

The increase of 7.0 FTEs are for the following areas: Anesthesiology, Internal Medicine – Dermatology, Internal Medicine – Hematology/Oncology, Internal Medicine – Nephrology, Internal Medicine – Pulmonary, Neurology – Neurophysiology/EEG, Pediatrics – Child Abuse, Pediatrics – Neonatal and Radiology. UCLA will be responsible for training the seven additional residents at H-UCLA MC. This will not impact H-UCLA MC's costs under the Agreement.

OV-UCLA MC

Discontinuation of Forensic Fellowship

For several years, the Veterans Affairs (VA) Greater Los Angeles/UCLA-San Fernando Valley Program in psychiatry has sponsored a fellowship program in forensic psychiatry. Rotations included various UCLA-affiliated sites, including OV-UCLA MC, as well as rotations to the Atascadero State Hospital. Because the forensic fellowship could no longer meet the needs of all the participating sites, the VA decided to discontinue the fellowship, effective July 1, 2012. OV-UCLA MC concurred with this decision, freeing up 1.5 FTE (\$103,000) OV-UCLA MC-paid housestaff positions.

Gynecologic Oncology

Currently, UCLA and OV-UCLA MC share one Gynecologic Oncology fellow. OV-UCLA MC Gyn/ONC cases have increased both in numbers and complexity from a baseline of 287 cases and 1,099 procedures in 2007, to 408 cases and 1,762 procedures in 2010, and further to 448 cases and 2,194 procedures in 2011, with no increases in physician staffing. Similarly, the number of outpatients seen in Gynecologic Oncology clinic has

**SUMMARY OF CHANGES TO THE MEDICAL SCHOOL AFFILIATION AGREEMENT
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increased from 1,311 in 2007 to 1,582 in 2010 and 1,727 in 2011. Case load increases between OV-UCLA MC and UCLA over the past several years necessitated application to expand the American Board of Obstetrics and Gynecology (ABOG)-approved Gyn/Onc fellowship by 1 FTE, so that both UCLA and OV-UCLA MC would have a dedicated full-time fellow. ABOG has approved this increase in the summer of 2011, to become effective July 1, 2012. This will optimize the fellow's surgical exposure, allow for continuity of care, improve patient care, mitigate work hour issues, and better accommodate the doubling in workload. It is recommended to add 0.5 FTE for a cost of \$35,500.

DMH-Funded Psychiatry

In August, 2011, the Department of Mental Health (DMH) opened a new mental health urgent care center on the OV-UCLA MC Campus. This facility provides outpatient psychiatric urgent care services daily. Having psychiatry residents at the center would help expand services in a cost-effective way and enhance the quality of both the residency program and the services provided to patients. Using Mental Health Service Act (MHSA) funding, DMH will fully fund 6.0 housestaff FTEs in the amount of \$379,000 in FY 2012-13. It is recommended to add these DMH-funded positions to the affiliation agreement and to add the DMH Olive View Urgent Care Center to the list of training sites in the affiliation agreement.

The current funding commitment from DMH is one year for FY 2012-13 only. The psychiatry program has the ability to flex its numbers and rotations, so that if the MHSA funding is lost, there will be no ongoing commitment from the County for the increase in positions. Hence, if the County anticipates loss of the MHSA funding for the following academic year, the County can give notice to the University 60 days prior to the start of the new year to remove these newly added FTEs.

Oncology Fellowship

This will enhance the OV-UCLA MC fellowship as they rotate to Kaiser by broadening the experience of the fellows in surgical oncology and exposure to patients and doctors in a different practice setting, including seeing patients with earlier stages of cancer than typically seen at OV-UCLA MC. The FTE position will increase the number of fellows by

**SUMMARY OF CHANGES TO THE MEDICAL SCHOOL AFFILIATION AGREEMENT
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UNIVERSITY OF CALIFORNIA**

one, but will not increase the number of fellows stationed at OV-UCLA MC, except that the Kaiser-assigned fellow will return to OV-UCLA MC one to two half-days per week for clinics, thus helping with the heavy outpatient oncology workload. While this position is not added to deal with workload, OV-UCLA MC has experienced a 7% increase in the number of Oncology clinic visits, increasing from 5,600 in FY 2008-09 to 6,000 in FY 2011-12. It is recommended to add 1.0 FTE for \$0 net cost, as it will be fully funded by a Kaiser grant.

Non-ACGME Surgical Pathology Fellowship

Despite its academic setting and increasing workload, the pathology department currently has no allocated residents. Adding a non-ACGME pathology residents will

allow the pathology department to deal with the increased volume and complexity of cases. Total Specimens have increased from 10,000 in 2005 to 11,800 in 2011. It is recommended to add .5 FTE for a cost of \$34,500.

The current agreement only allows H-UCLA MC to have non-ACGME programs, but not OV-UCLA MC. The recommended amendment would also permit OV-UCLA MC to have non-ACGME housestaff.

Most residencies and fellowships are accredited by the ACGME. The accreditation process assures that programs comply with the high standards set by ACGME. However, it is also common for organizations to offer fellowships to physicians who have completed a fellowship and still want further experience or training. These fellowships are advantageous to the hiring organization in that the fellows are already fully qualified in their specialty, and so require a lower level of supervision. Furthermore, they do not need to meet the ACGME requirements, which are quite prescriptive, though they still must be structured as training programs including objectives, curriculum, and supervision.

AFFILIATION AGREEMENT

Amendment No. 4

THIS AMENDMENT is made and entered into this 19th day
of June, 2012,

by and between

COUNTY OF LOS ANGELES
(hereafter "County")

and

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA, ON BEHALF OF ITS
LOS ANGELES CAMPUS AND SCHOOL
OF MEDICINE (hereafter "University").

WHEREAS, reference is made to that certain document entitled "AFFILIATION AGREEMENT", dated July 1, 2006, as amended by Amendment No. 1 to the Affiliation Agreement dated November 25, 2008, and Administrative Amendment No. 2 dated June 15, 2011, and Amendment No. 3 dated June 28, 2011, and further identified as County Agreement No. 76850 (H-702099) (collectively, hereafter "Agreement");

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by both parties; and

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2012.
2. Any reference in the Agreement to Exhibit 1-I.a, Exhibit 1-II.a, Exhibit 2-I.a, Exhibit 2-II.a, Addendum A-1.a, Addendum A-II.a, Addendum A-III.a, and Addendum A-IV.a shall also refer to Exhibit 1-I.a, Exhibit 1-II.a, Exhibit 2-I.a, and Exhibit 2-II.a shall be added to the Agreement, attached hereto and incorporated by reference.
3. Except for the changes set forth herein, the remaining terms and conditions of the Agreement shall remain in full effect.

76850
2

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and seal of said Board to be hereto affixed, and attested by the Executive Officer thereof, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month and year first above written.

I hereby certify that pursuant to Section 25103 of the Government Code, a copy of this document has been made.



COUNTY OF LOS ANGELES

By *Ben Yarcoslawsky*
Chairman, Board of Supervisors

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF ITS LOS ANGELES CAMPUS AND SCHOOL OF MEDICINE

Contractor

By *[Signature]*
Signature

Title _____
(AFFIX CORPORATE SEAL HERE)

SACHI A. HAMAI
Executive Officer
of the Board of Supervisors

By *[Signature]*
Deputy

SACHI A. HAMAI,
Executive Officer Board
of Supervisors of the
County of Los Angeles

By *[Signature]*
Deputy

APPROVED AS TO FORM
John Krattli
Acting County Counsel

By *[Signature]*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

32 JUN 19 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76850 SUPPLEMENT 2

EXHIBIT 1-I.a - 2

County and University Training Programs - Coastal

1-I.1 ACGME-Accredited University Training Programs. University Training Programs shall include the following ACGME-accredited training programs which are based at UCLA Medical Center, pursuant to this Agreement:

Contract Year (CY):	CY12-13 <u>FTEs</u>
Internal Medicine – Gastroenterology	3.00
Internal Medicine – Rheumatology	1.00
Surgery – Neurosurgery	2.00
Surgery – Ophthalmology	6.00
Surgery – Otolaryngology (Head & Neck)	5.00
Surgery – Plastic	1.00
Surgery – Urology	2.00
	Subtotal: <u>20.00</u>

1-I.2 ACGME-Accredited County Training Programs. County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County - Harbor-UCLA Medical Center (H-UCLA MC), pursuant to this Agreement.

Contract Year (CY):	CY12-13 <u>FTEs</u>
Anesthesiology	15.00
Emergency Medicine	45.00
Emergency Medicine – Ultrasound	1.00
Family Practice	36.00
Family Medicine - Faculty Development	2.00
Family Medicine - Sports Medicine	1.00
Internal Medicine	56.00
Internal Medicine - Cardiology	15.00
Internal Medicine - Cardiology Interventional	3.00
Internal Medicine – Dermatology	5.00
Internal Medicine - Electrophysiology	2.00
Internal Medicine – Endocrinology	9.00
Internal Medicine - Advanced Interventional and Endosonography	2.00
Internal Medicine - Hematology/Oncology	13.00
Internal Medicine - Infectious Disease	4.00
Internal Medicine – Nephrology	7.00
Internal Medicine – Pulmonary	7.00
Neurology	9.00

EXHIBIT 1-I.a - 2

Contract Year (CY):	CY12-13 <u>FTEs</u>
Neurology – Child	3.00
Neurology - Neurophysiology/EEG	2.00
Obstetrics and Gynecology	20.00
Orthopedic Surgery	20.00
Pathology	16.00
Pediatrics	30.00
Pediatric Child Abuse	1.00
Pediatrics - Critical Care	6.00
Pediatrics – Endocrinology	3.00
Pediatrics – Gastroenterology	1.00
Pediatrics - Emergency Medicine	3.00
Pediatrics - Infectious Disease	3.00
Pediatrics - Medical Genetics	1.00
Pediatrics – Neonatal	8.00
Psychiatry	32.00
Psychiatry – Child	8.00
Radiology	24.00
Radiology - Body Imaging	2.00
Radiology - Breast Imaging	1.00
Radiology – Interventional	1.00
Radiology – Neuroradiology	1.00
Radiology – Nuclear	1.00
Surgery	46.00
Surgery - General Practice –Dental	4.00
Surgery - Oral and Maxillofacial Surgery	8.00
Surgery – Vascular	2.00
Transitional Year	24.00
	Subtotal: <u>503.00</u>

1-I.3 Non-ACGME-Accredited County Training Programs. County Training Programs shall include the following non-ACGME-accredited training programs which are based at Los Angeles County – H-UCLA MC, pursuant to this Agreement:

Contract Year (CY):	CY12-13 <u>FTEs</u>
Internal Medicine - General	2.00
OB/Gyn - Maternal Fetal Medicine	3.00
OB/Gyn - Female Pelvic & Reconstructive Surgery	3.00
OB/Gyn- Women’s Health	1.00
Orthopedic Surgery - Foot and Ankle	1.00
	Subtotal: <u>10.00</u>

Grand Total: 533.00

EXHIBIT 1-II.a - 2

County and University Training Programs - ValleyCare

1-II.1 ACGME-Accredited University Training Programs. University Training Programs shall include the following ACGME-accredited training programs which are based at UCLA Medical Center, pursuant to this Agreement.

Contract Year (CY):	CY-12-13 <u>FTEs</u>
Anesthesiology	2.00
Emergency Medicine OV/UC	30.00
Family Medicine	4.00
Family Medicine - Mid-Valley	2.25
Internal Medicine - Cardiology	5.00
Internal Medicine - Dermatology	1.00
Internal Medicine - Gastroenterology	1.00
Internal Medicine - Infectious Disease	2.00
Internal Medicine - Pulmonary	3.00
Neurology	3.00
Obstetrics-Gynecology	14.00
Obstetrics-OV/UC Gyn-Onc, UrolGyn	1.50
Ophthalmology	5.00
Pediatrics	11.00
Psychiatry *	18.00
Radiology	7.00
Surgery - General	7.00
Surgery - Head & Neck	3.00
Surgery - Plastic	2.50
Surgery - Ortho	4.50
Urology	3.00
	Subtotal: <u>129.75</u>

* See Paragraph A-II.3. Volume of Purchased Services.

EXHIBIT 1-II.a - 2

1-II.2 ACGME-Accredited County Training Programs. County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County – Olive View-UCLA Medical Center (OV-UCLA MC), pursuant to this Agreement:

Contract Year (CY):	CY12-13 <u>FTEs</u>
Emergency Medicine/Internal Medicine	3.00
Internal Medicine - General	76.75
Internal Medicine - Hematology/Oncology	10.00
Internal Medicine - Nephrology	5.00
Internal Medicine - Rheumatology	2.00
Subtotal:	<u>96.75</u>

1-II.3 Non-Accredited County Training Programs. County Training Programs shall include the following non-ACGME accredited training programs which are based at Los Angeles County - OV-UCLA MC, pursuant to this Agreement:

Contract Year (CY):	CY-12-13 <u>FTEs</u>
Pathology	0.50
Grand Total:	<u>227.00</u>

EXHIBIT 2-I.a - 2

Coastal

The following shall constitute the Coastal:

Los Angeles County - Harbor-UCLA Medical Center

Harbor-UCLA Family Health Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center

The Primary County Facilities shall include those facilities within Coastal, which are so identified in Addendum A-I.a.

EXHIBIT 2-II.a - 2

ValleyCare

The following shall constitute the ValleyCare:

Los Angeles County - Olive View-UCLA Medical Center

Los Angeles County – Olive View Mental Health Urgent Care Center

Mid-Valley Comprehensive Health Center

Glendale Health Center

San Fernando Health Center

The Primary County Facilities shall include those facilities within ValleyCare, which are so identified in Addendum A-II.a.

ADDENDUM A-I.a - 2

Purchased Services - Coastal (including Harbor)

Contract Year 2012-13

A-I.1. General. Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-I.4. In no event shall the fixed or variable rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.

A-I.2. Fixed and Variable Costs. The Parties agree that payment for Purchased Services should reflect:

The following variable costs: (a) program directors, (b) faculty members, (c) faculty trauma surgery, anesthesia and pediatrics augmentation, (d) faculty recruitment/retention augmentation (e) informatics and (f) radiologists. Pursuant to § 2.5.2.2., County shall also reimburse University for its cost for any University Housestaff assigned to Primary County Facilities. The following UCLA and County fixed costs (including salary and benefits where applicable), which will not vary within a given range of programs and Housestaff: (a) overall academic infrastructure, including graduate medical education fees, (b) Verinform/AmIOn, (c) University Representative, (d) University Graduate Medical Education Dean, and (e) University's administrative personnel.

A-I.3. Volume of Purchased Services. For Contract Year 2012-13, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services for specific line items; but as provided in § A-I.1, the fixed and variable rates set forth in § A-I.4 shall not vary during the course of the Contract Year.

A-I.4 Fixed, Unit and Total Payments. During Contract Year 2012-13, County shall compensate University as follows (prices are rounded to the nearest \$500).

	CY12-13
<u>Variable Costs</u>	<u>Total Price</u>
<u>Per Resident</u>	
Program Directors	\$2,240,000
Faculty Members	\$ 800,000

ADDENDUM A-I.a - 2

<u>Variable Costs</u>	<u>CY12-13 Total Price</u>
University Housestaff Salaries	\$ 895,000
Radiologists	\$ 678,000
Faculty Trauma Surgery, Anesthesia & Pediatrics Augmentation	\$1,784,000
Faculty Recruitment/Retention Augmentation	\$1,000,000
Informatics Program	\$ 359,000
Total Variable Costs:	<u>\$7,756,500</u>
	<u>CY12-13 Total Price</u>
Fixed Costs	
Academic Infrastructure	\$1,070,000
Verinform / AmlOn	\$ 100,000
University Representative	\$ 34,000
GME Dean	\$ 41,000
Administrative Personnel	\$ 102,500
Associate Dean Harbor-UCLA	
Total Fixed Costs:	<u>\$1,347,500</u>
 Total Coastal payment for Contract Year 2012-13:	 <u>\$9,104,000</u>

A-I.5 Intentionally Omitted.

A-I.6 Faculty Recruitment & Retention Fund. Addendum A includes a faculty recruitment and retention fund in the amount of \$1,000,000 for Contract Year 2012-13 to assist in the recruiting of new faculty, sign-on bonuses, academic advancement bonuses, and search firms, advertising and travel. To ensure accountability, the Faculty Joint Planning Operations Committee will make all determinations regarding the use of this fund.

A-I.7 Primary County Facilities. The following facilities shall constitute the Primary County Facilities within Coastal:

ADDENDUM A-I.a - 2

Los Angeles County - Harbor-UCLA Medical Center

Harbor-UCLA Family Health Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center

ADDENDUM A-II.a - 2

Purchased Services - ValleyCare (including Olive View)

Contract Year 2012-13

A-II.1 General. Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-II.4. In no event shall the fixed or variable rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.

A-II.2 Fixed and Variable Costs. The Parties agree that payment for Purchased Services should reflect:

The following variable costs: (a) program directors, (b) faculty members, (c) hospitalists, and (d) faculty recruitment/retention augmentation. Pursuant to § 2.5.2.2, County shall also reimburse University for its cost for any University Housestaff assigned to Primary County Facilities.

The following UCLA and County fixed costs (including salary and benefits where applicable), which will not vary within a given range of programs and Housestaff: (a) overall academic infrastructure, including graduate medical education fees, (b) Verinform/AmlOn, (c) University Representative, (d) University Graduate Medical Education Dean, and (e) University's administrative personnel.

A-II.3. Volume of Purchased Services. For Contract Year 2012-13, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services for specific line items.

Under Paragraph 1-II.1, Exhibit 1-II.a – 2, six of the 18 psychiatry FTEs are fully funded by the Department of Mental Health for services to be provided at the DMH Olive View Urgent Care Center. Notwithstanding the above paragraph, the provision of these additional FTEs for any period beyond CY 12-13 shall be contingent upon continued funding by DMH. The County shall provide notice to the University at least 60 days prior to the start of any such Academic Year if there is any anticipated reduction or elimination of such DMH funding. The total number of FTEs to be provided shall then be reduced accordingly.

ADDENDUM A-II.a - 2

A.II.4 Fixed, Unit and Total Payments. During Contract Year 2012-13, County shall compensate University as follows (all prices are rounded to the nearest \$500):

<u>Variable Costs</u>	<u>CY12-13 Total Price</u>
Program Directors	\$ 658,000
Faculty Members	\$ 589,500
University Housestaff Salaries	\$14,012,000
Hospitalists	\$ 285,000
Faculty Recruitment/Retention Augmentation	\$ 512,500
Total Variable Costs	<u>\$16,057,000</u>

<u>Fixed Costs</u>	<u>CY12-13 Total Price</u>
Academic Infrastructure	\$1,703,500
Verinform / AmIOn	\$ 35,000
University Representative	\$ 31,000
GME Dean	\$ 41,000
Administrative Personnel	\$ 102,500
Total Fixed Costs	<u>\$1,913,000</u>

**Total ValleyCare Payment for
Contract Year 2012-13** **\$17,970,000**

A-II.5 Intentionally Omitted.

A-II.6 Faculty Recruitment & Retention Augmentation. Addendum A includes a faculty recruitment and retention fund in the amount of \$512,500 for Contract Year 2012-13 to assist in the recruiting of new faculty, sign-on bonuses academic advancement bonuses, and search firms, advertising and travel. To ensure accountability, the Facility Joint Planning Operations Committee will make all determinations regarding the use of this fund.

A-II.7 Primary County Facilities. The following facilities shall constitute the Primary County Facilities within ValleyCare:

ADDENDUM A-II.a - 2

Los Angeles County -Olive View-UCLA Medical Center

Los Angeles County – Olive View Mental Health Urgent Care Center

Mid-Valley Comprehensive Health Center

Glendale Health Center

San Fernando Health Center

ADDENDUM A-III.a - 2

Intentionally Omitted

ADDENDUM A-IV.a - 2

Total Payments

Contract Year 2012-2013

	<u>CY12-13</u>
Coastal Purchased Services	\$ 9,104,000
ValleyCare Purchased Services	<u>\$17,970,000</u>
Total Payment	<u>\$27,074,000</u>